



A Guide to CalPERS

When You Change Retirement Systems

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INTRODUCTION

When You Change Retirement Systems

This publication provides information on the rights and benefits afforded to eligible CalPERS members in conjunction with certain other public retirement systems in California.

Please note that CalPERS authority extends only to applying and implementing the California Public Employees' Retirement Law; it does not extend to laws and regulations under which other public retirement systems are administered.

Questions relating to rights, benefits, and obligations under any of the other public retirement systems should be addressed directly to the appropriate system.

Reciprocity is a complex subject. If you have questions while reading this publication, please call the CalPERS Customer Contact Center toll free at **888 CalPERS** (or 888-225-7377).

Reciprocity

As a member of the California Public Employees' Retirement System (CalPERS), you may be eligible for the benefits of reciprocity. Reciprocity is an agreement among public retirement systems to allow members to move from one public employer to another public employer within a specific time limit without losing some valuable retirement and related benefit rights.

There is no transfer of funds or service credit between retirement systems when you establish reciprocity. You become a member of both systems and are subject to the membership and benefit obligations and rights of each system (for example, minimum retirement age may vary between systems), except as modified by the reciprocity agreement. You must apply to retire from each system separately, and you will receive separate retirement allowances from each system. You must retire on the same date from each public retirement system participating in a reciprocal agreement for all benefits of reciprocity to apply.

If you are establishing reciprocity by redepositing formerly withdrawn CalPERS contributions, your retirement date can be no earlier than the day following CalPERS receipt of your request to purchase this service.

This publication explains benefits arising from movement from CalPERS to a reciprocal retirement system. It also includes a list of reciprocal agencies including the public retirement systems that have established reciprocity with CalPERS by contract. Note: Even if you do not qualify for the full benefits of reciprocity, certain benefits may still be available to you from CalPERS.

In addition, although there is no reciprocity established between CalPERS and the State Teachers' Retirement System (CalSTRS), the Judges' Retirement System (JRS), the Judges' Retirement System II (JRS II), or the Legislators' Retirement System (LRS), an agreement with those systems provides similar benefits.

Public Employees' Pension Reform Act of 2013 (PEPRA)

As a result of PEPRA, effective January 1, 2013, CalPERS will take into account prior service at a reciprocal retirement system (or system that has similar agreements with CalPERS, such as CalSTRS) when determining your benefit formula when you enter membership with a CalPERS employer. Refer to your member benefit publication for more information on new member benefit formulas mandated by PEPRA.

PUBLIC RETIREMENT SYSTEMS WITH RECIPROCITY

County Systems

Counties that maintain retirement systems under the County Employees' Retirement Law of 1937:

| | |
|--------------|----------------|
| Alameda | Sacramento |
| Contra Costa | San Bernardino |
| Fresno | San Diego |
| Imperial | San Joaquin |
| Kern | San Mateo |
| Los Angeles | Santa Barbara |
| Marin | Sonoma |
| Mendocino | Stanislaus |
| Merced | Tulare |
| Orange | Ventura |

Independent Public Agency Retirement Systems

Public agencies maintaining their own retirement systems that have contracted with CalPERS to provide the benefits of reciprocity and the dates the reciprocal agreements were established:

*City of Concord (11/27/70)

*City of Costa Mesa (safety employees only) (4/1/78)

City of Fresno (misc. and safety retirement systems) (2/18/02)

City of Oakland (non-safety employees only) (4/1/71)

City of Pasadena (fire and police retirement) (5/4/01)

*City of Sacramento (11/4/74)

*City of San Clemente (non-safety employees only) (1/1/85)

City of San Diego (6/25/92)

*City & County of San Francisco (7/29/88)

City of San Jose (misc. 12/9/94; safety 9/30/94)

Contra Costa Water District (3/2/88)

County of San Luis Obispo (4/19/84)

East Bay Municipal Utility District (4/16/84)

East Bay Regional Park District (safety employees only) (7/1/96)

Los Angeles County Metropolitan Transportation Authority (Non-Contract Employees' Retirement Income Plan, formerly Southern California Rapid Transit District (5/12/71)

City of Los Angeles (7/14/97)

** These entities are now CalPERS-covered employers. If you earned service credit in these systems prior to their CalPERS contract, you may be eligible for reciprocity for that earlier service credit.*

UCRP

The University of California Retirement Plan (UCRP) (10/1/63)

RECIPROCITY REQUIREMENTS

When changing retirement systems, you must satisfy several statutory conditions, as follows, in order to receive the full benefits of reciprocity:

Maintain Membership

You must continue membership in the first retirement system by leaving your service credit and contributions (if any) on deposit.

Movement to a New Reciprocal System

You must enter employment that results in membership in the new system within six months of leaving CalPERS-covered employment. (Eligibility for reciprocity is determined by the retirement laws in effect at the time of movement between employers and retirement systems. Since July 1, 1976, retirement law has required movement within six months.)

No Overlapping Service

You must discontinue your employment relationship from the first system before entering employment or membership with the subsequent system.

Concurrent Retirement between Reciprocal Systems

In order to receive full reciprocal benefits, you must retire on the same date from both or all systems by submitting a retirement application in accordance to the rules and regulations associated with each system.

Exceptions and Restrictions

Certain exceptions and restrictions may exist. Please read this entire publication to determine what exceptions and/or restrictions may apply to you.

Please note that if you are a member of the State Teachers' Retirement System (CalSTRS), Judges' Retirement System (JRS), Judges' Retirement System II (JRSII) or Legislators' Retirement System (LRS), there is no reciprocity between these systems and CalPERS. However, an agreement with these systems provides similar benefits.

Important Restrictions

Concurrent Employment

Reciprocity **does not apply** when your employment under the first retirement system overlaps your employment under the new system. **For the benefits of reciprocity to apply, you must be separated under the first system prior to joining the new system.** This may be true even if the overlapping time is due to running out leave credits or where reciprocity is established with the new system and, while still employed with that system, you return to any CalPERS-covered employment. You should check with your current system and new system about their rules **before** you change employment. If you are concurrently employed we will use your highest rate of pay under CalPERS when computing your retirement allowance.

Refund Restriction

Some retirement systems may not allow you to withdraw your member contributions while you are employed in a position covered by a reciprocal retirement system or CalSTRS, JRS, JRS II, LRS or UCRP. (See Benefits for Non-Qualifying Individuals, page 7).

New State Employees

State miscellaneous or industrial employees hired for the first time on or after August 11, 2004 through June 30, 2013*, are placed in the Alternate Retirement Program (ARP) administered by the Savings Plus Program in the California Department of Human Resources. You are excluded from ARP if you were a member of a CalPERS reciprocal retirement system within six months prior to establishing membership with CalPERS; or you were a member of the Judges' Retirement System, Judges' Retirement System II, Legislators' Retirement System, California State Teachers' Retirement System, or the University of California Retirement Plan.

Reinstatement From Retirement

If in the future you reinstate to active employment in a CalPERS-covered position and have retired under reciprocity, there is no provision in the law to allow you to apply reciprocal rights to your subsequent retirement since you will no longer be retired from both systems on the same date.

RECIPROCITY BENEFITS & REQUIREMENTS

The following benefits and requirements apply to CalPERS members who make a qualified move between reciprocal retirement systems.

Member Contribution Rate Based on Age at Entry

Retirement formulas for CalPERS miscellaneous members and most safety

* **Note:** Pending Legislation may change the effective date to December 31, 2012.

Exception

If you retire on a service retirement from another reciprocal system before you have met the CalPERS minimum retirement age, you can later retire under CalPERS effective on the date you become eligible; we will still use your highest rate of pay under any of the reciprocal systems. This provision does not apply to the non-reciprocal systems listed on page 8.

Important

If you die after reaching age 50 or 52 (depending on your benefit formula) while you're employed as a member of another system, there is no monthly pre-retirement death benefit allowance payable to your surviving spouse or registered domestic partner as there is for CalPERS members who are working for a CalPERS-covered employer at the time of death. Therefore, if you become ill and wish to leave a monthly death benefit to anyone, you must retire from CalPERS and choose an option that provides a post-retirement monthly death benefit. In this situation, it is advisable to retire from both systems concurrently.

members are based on a fixed rate of contribution and are not affected by age at entry. However, other systems may use age at entry for their contribution rate. Check with the appropriate system for information.

Highest Final Compensation

CalPERS will compute your average final compensation based on the highest rate of pay under any system, as long as you **retire on the same date** from all systems. Systems will use either a 12- or 36-month consecutive highest final compensation. If you are a local member of CalPERS first elected or appointed to a city council or county board of supervisors on or after July 1, 1994, your final compensation is based on the highest annual average compensation earnable during the period of state service in each elective or appointed office. Other system salaries cannot be used.

Qualification for Benefits

Service earned under both systems may be used to meet each system's vesting and retirement eligibility requirements.

Disability Retirement

If you are eligible for disability retirement from your other system (or disability income from the University of California Retirement Plan), you may also be entitled to CalPERS disability retirement benefits, if you retire from both systems on the same date. CalPERS will pay a benefit based on CalPERS service credit, subject to CalPERS law, and limited to an amount that does not exceed the difference between what you are going to receive from the other system and what you would receive if all your CalPERS service were also credited with that system. **(If this calculation does not increase your allowance, we will pay an annuity that is the actuarial equivalent of your CalPERS contributions.)**

If you retire from your other system because of a work-related disability, CalPERS will pay an annuity that is the actuarial equivalent of your CalPERS contributions. If you meet the CalPERS minimum age requirements, you may find it to your advantage to take service retirement from CalPERS and still take disability retirement from your other system.

Pre-Retirement Death Benefits

If you die prior to retiring while you are employed as a member of another system, a lump sum Basic Death Benefit consisting of a return of your CalPERS retirement contributions will be payable to your beneficiary. An additional lump sum "employer's share" may be payable. However, the total paid by both systems cannot exceed the maximum lump-sum benefit allowable if all service had been under the other system. If you were a safety member of CalPERS and your death is job-related, the monthly Special Death Benefit allowance may be payable to a qualifying survivor. However, in all other situations a monthly pre-retirement death benefit is not available. Please see the important note on this page for more information.

BENEFITS FOR NON-QUALIFYING INDIVIDUALS

Even if you do not qualify for full reciprocity by meeting the reciprocity requirements described on page 4, CalPERS offers you redeposit rights, vesting, and University of California Retirement Plan Final Compensation.

Other Benefits

If your employer established a reciprocal agreement with CalPERS after you changed membership, and if you would have been eligible for reciprocity had an agreement been in effect at the time of your membership change, your retirement allowance will be based on the highest final compensation under either system as long as you **retire on the same date** under both systems.

Example: You separate from employment as a member of CalPERS on January 1, 2001. You become a member of another retirement system within six months of leaving CalPERS employment. Later, that system signs a reciprocal contract effective July 1, 2002. CalPERS will use your highest final compensation from the other retirement system, because you would have been eligible for reciprocity had the new reciprocal contract been in place when you separated in 2001.

Redeposit Rights

If you withdrew your CalPERS contributions and interest and later joined a reciprocal retirement system, you can re-establish CalPERS service credit and membership by making a redeposit. If you are establishing reciprocity by redepositing formerly withdrawn CalPERS contributions, your retirement date can be no earlier than the day following CalPERS receipt of your request to purchase this service.

Refund Restriction

You may not withdraw your CalPERS contributions once you have entered employment covered by the University of California Retirement Plan or if, within six months of leaving State service, you entered employment covered by a system under the County Employees' Retirement Law of 1937 or covered by certain **other** public agency retirement systems. A refund is only allowed upon proof that you terminated membership with the other retirement system.

Vesting

If you are a CalPERS member who is also a member of a reciprocal retirement system, you are eligible to retire from CalPERS without meeting the CalPERS minimum service credit requirement (but you must still meet the minimum age requirement).

University of California Retirement Plan Final Compensation

The average pay rate during any 12-month or 36-month period of employment with both the University of California and CalPERS will be compared, and the higher pay rate of either system will be used for determining final compensation as long as you **retire from both systems on the same date**.

NON-RECIPROCAL PUBLIC RETIREMENT SYSTEM BENEFITS & REQUIREMENTS

Important

Please use the

Election to Coordinate

Retirement When

Changing Retirement

Systems form to notify

CalPERS that you are

a member of the non-

reciprocal systems.

There is no formal reciprocity agreement established between CalPERS and the following systems:

- State Teachers' Retirement System (CalSTRS);
- Legislators' Retirement System (LRS);
- Judges' Retirement System (JRS);
- Judges' Retirement System II (JRS II).

Note: There is no time requirement for you to enter membership with the above systems. The following benefits and requirements apply to CalPERS members who enter membership with these systems and retire on the same date under both systems.

Final Compensation

CalPERS will compute your final compensation based on your highest rate of pay under CalSTRS, JRS, JRSII, LRS, or CalPERS during any consecutive 12-month or 36-month period of service, as long as you retire on the same date under both systems. If you are a local member of CalPERS first elected or appointed to a city council or county board of supervisors on or after July 1, 1994, your final compensation is based on the highest annual average compensation earnable during the period of state service in each elective or appointed office. Other system salaries cannot be used.

Redeposit Rights

If you withdrew your CalPERS contributions and interest prior to your employment with (and membership in) CalSTRS, JRS, JRS II, or LRS, you have the right to redeposit your CalPERS contributions in order to re-establish CalPERS service credit and membership. If you are establishing reciprocity by redepositing formerly withdrawn CalPERS contributions, your retirement date can be no earlier than the day following CalPERS receipt of your request to purchase this service.

Refund Restriction

You may not withdraw your CalPERS contributions once you have entered employment with CalSTRS, JRS, JRS II, or LRS. A refund is only allowed upon proof that you terminated membership with the other retirement system.

Vesting

A CalPERS member who is a member of CalSTRS, JRS, JRS II, or LRS is eligible to retire from CalPERS without meeting the CalPERS minimum service credit requirement (but must still meet the minimum age requirement).

Disability Retirement

There is no provision for CalPERS disability retirement when you are eligible for a disability benefit from CalSTRS, JRS, JRS II, or LRS. You must instead take a CalPERS service retirement on the same date you take disability retirement from the other system in order for the provisions of final compensation to apply.

If you will be receiving a disability allowance from CalSTRS, you can take a service retirement from CalPERS at the same time (if you meet the minimum retirement age) **or** at age 60, when the disability allowance under CalSTRS is changed to a service retirement. Either way, you are considered to have retired on the same date under both systems, and CalPERS will compute your final compensation based on your highest rate of pay under either system.

Pre-Retirement Death Benefits

If you die prior to retiring while you are employed as a member of another system, a lump-sum Basic Death Benefit consisting of a return of your CalPERS retirement contributions will be payable to your beneficiary. An additional lump-sum “employer’s share” may be payable. However, the total paid by both systems cannot exceed the maximum lump-sum benefit allowable if all service had been under the other system. If you were a safety member of CalPERS and your death is job-related, the monthly Special Death Benefit allowance may be payable to a qualifying survivor. However, in all other situations a monthly pre-retirement death benefit is not available. Please see the important sidebar note on this page for more information.

Important

If you die after reaching age 50 or 52 (depending on your benefit formula) while you’re employed as a member of another system, there is no monthly pre-retirement death benefit allowance payable to your surviving spouse or registered domestic partner as there is for CalPERS members who are working for a CalPERS-covered employer at the time of death. Therefore, if you become ill and wish to leave a monthly death benefit to anyone, you must retire from CalPERS and choose an option that provides a post-retirement monthly death benefit. In this situation, it is advisable to retire from both systems concurrently.



Election to Coordinate Retirement When Changing Retirement Systems

888 CalPERS (or 888-225-7377) • TTY: (877) 249-7442

Section 1

Please complete and return
to CalPERS with a copy
sent to your new
retirement system.

Member Information

| | | | |
|--|------------------------------|--------------------------------------|-----|
| Name of Member (First Name, Middle Initial, Last Name) | | Social Security Number or CalPERS ID | |
| Birth Date (mm/dd/yyyy) | () () () Daytime Phone | () () () Evening Phone | |
| Address | | | |
| City | | State | ZIP |

Section 2

Retirement System You Are Leaving

| | |
|---------------------------|---------------------------------|
| Name of Retirement System | Date of Separation (mm/dd/yyyy) |
|---------------------------|---------------------------------|

Section 3

Retirement System You Are Entering

| | |
|---------------------------|----------------------------|
| Name of Retirement System | Date of Entry (mm/dd/yyyy) |
|---------------------------|----------------------------|

Section 4

Member Signature

I understand that by accepting employment in a specific retirement system, I am subject to the laws and regulations administered by that system. I understand that in order to retain the benefits of reciprocity, my contributions may not be withdrawn while I am in employment as a member of JRS, JRS II, LRS, CalSTRS, UCRP, or while I am in employment entered within six months of a system covered under the County Employees' Retirement Law of 1937 or a public agency retirement system listed in this publication. Furthermore, this information may be shared with the other retirement system.

Upon signing and returning this document, I am electing to establish reciprocity rights between retirement systems, where applicable.

| | |
|------------------|-------------------|
| Member Signature | Date (mm/dd/yyyy) |
|------------------|-------------------|

Mail to:

CalPERS Customer Account Services Division • P.O. Box 942704, Sacramento, California 94229-2704

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WHEN YOU CHANGE RETIREMENT SYSTEMS

When you become a member of a reciprocal or non-reciprocal public retirement system you can notify CalPERS by one of the following methods:

- Complete the *Election to Coordinate Retirement When Changing Retirement Systems* form in this publication; or
- Complete the separation document (State employees) when separating from CalPERS-covered employment.

JRS, JRS II, and LRS Members

Contact the Judges' or Legislators' Retirement System directly when you become a member of a reciprocal or non-reciprocal public retirement system:

Judges' & Legislators' Retirement Systems

P.O. Box 942705

Sacramento, CA 94229-2705

(916) 795-3688

(916) 795-1500 – FAX

Long-Term Care Program Members

If you are enrolled in the CalPERS Long-Term Care Program and have premiums deducted from your check, call the program's Customer Service Center at (800) 982-1775 to find out what steps you need to take to continue your premiums after retirement.

BECOME A MORE INFORMED MEMBER

CalPERS On-Line

Visit our website at www.calpers.ca.gov for more information on all your benefits and programs.

Reaching Us By Phone

Call us toll free at **888 CalPERS** (or 888-225-7377).

Monday through Friday, 8:00 a.m. to 5:00 p.m.

TTY: (877) 249-7442

my|CalPERS

Stay informed and be in control of the information you want and need — with my|CalPERS!

my|CalPERS is the personalized and secure website that provides all your retirement, health, and financial information in one place. Take advantage of the convenience of 24/7 access to learn more about CalPERS programs and services that are right for you in your career stage. With my|CalPERS, you can:

- Get quick and easy access to all your account information.
- Manage and update your contact information and online account profile.
- Access information about your health plan and family members enrolled in your plan.
- See all the information you need to make health plan decisions.
- View, print, and save online statements.
- Go “green” by opting out of receiving future statements by mail.
- Use financial planning tools to calculate your retirement benefit estimate or estimate your service credit cost.
- Keep informed with CalPERS news so you don’t miss a thing.

CalPERS Education Center

my|CalPERS is your gateway to the CalPERS Education Center. Whether you’re in the early stages of your career, starting to plan your retirement, or getting ready to retire, visit the CalPERS Education Center to:

- Take online classes that help you make important decisions about your CalPERS benefits and your future.
- Register for instructor-led classes at a location near you.
- Download class materials and access information about your current and past classes.
- Browse our retirement fair schedule.
- Make a personal appointment with a retirement counselor.

Log in today at my.calpers.ca.gov.

Visit Your Nearest CalPERS Regional Office

Fresno Regional Office

10 River Park Place East, Suite 230
Fresno, CA 93720

Glendale Regional Office

Glendale Plaza
655 North Central Avenue, Suite 1400
Glendale, CA 91203

Orange Regional Office

500 North State College Boulevard, Suite 750
Orange, CA 92868

Sacramento Regional Office

Lincoln Plaza East
400 Q Street, Room E1820
Sacramento, CA 95811

San Bernardino Regional Office

650 East Hospitality Lane, Suite 330
San Bernardino, CA 92408

San Diego Regional Office

7676 Hazard Center Drive, Suite 350
San Diego, CA 92108

San Jose Regional Office

181 Metro Drive, Suite 520
San Jose, CA 95110

Walnut Creek Regional Office

1340 Treat Blvd., Suite 200
Walnut Creek, CA 94597

Visit the CalPERS website for directions to your local office.

Regional Office hours are Monday to Friday, 8:00 a.m. to 5:00 p.m.

INFORMATION PRACTICES STATEMENT

The Information Practices Act of 1977 and the Federal Privacy Act require the California Public Employees' Retirement System to provide the following information to individuals who are asked to supply information. The information requested is collected pursuant to the Government Code (Sections 20000, et seq.) and will be used for administration of the CalPERS Board's duties under the California Public Employees' Retirement Law, the Social Security Act, and the Public Employees' Medical and Hospital Care Act, as the case may be. Submission of the requested information is mandatory. Failure to supply the information may result in the System being unable to perform its function regarding your status and eligibility for benefits. Portions of this information may be transferred to State and public agency employers, State Attorney General, Office of the State Controller, Teale Data Center, Franchise Tax Board, Internal Revenue Service, Workers' Compensation Appeals Board, State Compensation Insurance Fund, County District Attorneys, Social Security Administration, beneficiaries of deceased members, physicians, insurance carriers, and various vendors who prepare the microfiche or microfilm for CalPERS. Disclosure to the aforementioned entities is done in strict accordance with current statutes regarding confidentiality.

You have the right to review your membership file maintained by the System. For questions concerning your rights under the Information Practices Act of 1977, please contact the Information Practices Act Coordinator, CalPERS, 400 Q Street, P.O. Box 942702, Sacramento, CA 94229-2702.

While reading this material, remember that we are governed by the Public Employees' Retirement Law and the Alternate Retirement Program provisions in the Government Code, together referred to as the Retirement Law. The statements in this publication are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this publication, any decisions will be based on the law and not this publication. If you have a question that is not answered by this general description, you may make a written request for advice regarding your specific situation directly to CalPERS.

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California Public Employees' Retirement System

400 Q Street
P.O. Box 942701
Sacramento, CA 94229-2701

888 CalPERS (or **888-225-7377**)

www.calpers.ca.gov

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